

**OPENSYS (M) BERHAD**  
Registration No. 199501040614 (369818-W)  
(Incorporated in Malaysia)

**MINUTES** of the Twenty-eighth Annual General Meeting (“28th AGM” or “the Meeting”) of the Company duly convened and held at Atlanta Ballroom, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Seksyen 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Monday, 20 May 2024 at 3:00 p.m.

---

**Board of Directors present** : Mr. Tan Kee Chung (*Chairman of the Meeting*)  
Mr. Lim Swee Keah  
Madam Ong Poh Hong  
Datin Lee Choi Chew  
Mr. Wong Choong Wai  
Puan Hajjah Norizan Binti Yahya

**In Attendance** : Ms. Cindy Lim (Secretary)

**Shareholders/Proxies** : As per Attendance List

**Invited Guests** : As per Attendance List

**Chairman of Meeting**

The Chairman of the Company, Mr. Tan Kee Chung (“Chairman”) took the chair and called the Meeting to order. He welcomed and thanked the members/proxies and invited guests for their attendance.

The Chairman proceeded to introduce all the Board members namely, Mr. Lim Swee Keah (Eric), Madam Ong Poh Hong, Datin Lee Choi Chew, Mr. Wong Choong Wai and Puan Hajjah Norizan Binti Yahya.

**Quorum**

Pursuant to Clause 63 of the Company’s Constitution, two (2) members present in person or by proxy shall constitute a quorum for the meeting. The Company received a total of 76 shareholders and proxies representing 150,261,013 shares equivalent to 33.63% of the total number of issued shares of the Company registered at the commencement of the meeting.

With the requisite quorum present, the Chairman declared the Meeting duly convened.

**Notice**

The Notice of the Meeting duly distributed to the members within the requisite statutory period was taken as read.

**Procedures for Meeting**

The Chairman invited the Secretary to brief on the Meeting procedure to be followed in tabling and approving resolutions in a general meeting.

The Secretary informed that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at a general meeting would be voted by way of poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator and Cygnus Technology Solutions Sdn. Bhd. as the Independent Scrutineer for the poll voting.

The Chairman informed that the 28th AGM would be divided into two segments. The first segment was to discuss and vote on the proposed resolutions as laid out in the agenda whereas the second segment after the announcement of the poll results, the Executive Director/Chief Executive Officer, Mr. Eric Lim and the Chief Executive Officer of OpenSys Technologies Sdn. Bhd., Mr. Luke Sebastian would update on the Company's business outlook.

The Chairman invited Mr. Eric Lim to present to the shareholders/proxies on the Company's financial highlights as follows:-

- (a) Income Statement Overview
- (b) Key Financial Position
- (c) Dividend Payout

#### **Queries from the Minority Shareholder Watchdog Group (“MSWG”)**

Before proceeding with the business of the Meeting, the Chairman informed that the Company has received written questions from MSWG regarding operational & financial matters, sustainability matters, and corporate governance matters to which the Company has replied in writing accordingly.

The Chairman presented the letter from MSWG dated 10 May 2024 and the Company's responses as summarised in Annexure I as attached, at the Meeting.

#### **AS ORDINARY BUSINESS**

##### **1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon**

The Chairman informed that the first item on the agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon which was meant for discussion only as the Company's Constitution provides that the Audited Financial Statements are to be laid in the general meeting. Hence, the Audited Financial Statements will not put forward for voting.

The Chairman invited attendees to raise questions pertaining to the financial statements. There were some clarifications from the floor. The details of which are as Annexure II attached.

After due deliberation from the floor on the Audited Financial Statements for the financial year ended 31 December 2023, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon were received.

**2. To approve the payment of Directors' fees and benefits payable up to RM303,500.00 for the period from this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company [Ordinary Resolution 1]**

The Chairman tabled Ordinary Resolution 1 which was in relation to payment of Directors' fees and benefits payable up to RM303,500.00 for the period from this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

All the Directors who are shareholders of the Company, were abstained from voting on this resolution pursuant to Practice 7.2 of the Malaysian Code on Corporate Governance.

There was no question raised by the shareholders/proxies on this agenda.

**3. To re-elect the following Directors retiring in accordance with Clauses 78 and 79 of the Company's Constitution respectively:-**

- i) Madam Ong Poh Hong [Ordinary Resolution 2]**
- ii) Datin Lee Choi Chew [Ordinary Resolution 3]**
- iii) Puan Hajjah Norizan Binti Yahya [Ordinary Resolution 4]**

The Chairman tabled Ordinary Resolutions 2, 3, and 4 on the re-election of Madam Ong Poh Hong, Datin Lee Choi Chew and Puan Hajjah Norizan Binti Yahya. They are subject to retire by rotation in accordance with Clauses 78 and 79 of the Company's Constitution respectively and being eligible, had offered themselves for re-election.

Their profiles were set out in the Profile of Directors section on page 5 of the Annual Report 2023.

There was no question raised by the shareholders/proxies on this agenda.

**4. To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors and to authorise the Board of Directors to fix their remuneration [Ordinary Resolution 5]**

The Chairman informed that Ordinary Resolution 5 was in relation to the re-appointment of the retiring auditors, Messrs. HLB Ler Lum Chew PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

It was recorded that Mr. Wong Chee Hong had represented Messrs. HLB Ler Lum Chew PLT attended the Meeting.

There was no question raised by the shareholders/proxies on this agenda.

**AS SPECIAL BUSINESS**

**5. Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights [Ordinary Resolution 6]**

The Chairman informed that Ordinary Resolution 6 was to obtain approval from the shareholders to empower the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 and to waive the statutory pre-emptive rights of the shareholders of

the Company pursuant to Section 85 of the Companies Act 2016 and Clause 8 of the Constitution of the Company. The authority would enable the Directors to allot up to 10% of the total number of issued shares of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and would be in the best interest of the Company.

No shares were issued during the financial year arising from the mandate obtained at the last Annual General Meeting.

There was no question raised by the shareholders/proxies on this agenda.

## 6. ANY OTHER BUSINESS

There was no notice received for any other business to be transacted at the 28th AGM.

## 7. POLLING PROCESS

The Chairman invited the Company Secretary to brief the shareholders and proxy holders on the voting procedure by e-polling.

The Secretary confirmed that the Poll Administrator has given the wrist bands with QR codes to the shareholders and proxies upon registration of their attendance. The shareholders and proxies are to cast their votes by scanning the QR code from their wrist band via mobile phone, alternatively, they may vote via the device at the voting station at the back of the meeting hall. The 28th AGM was adjourned for 20 minutes for poll voting.

The Chairman reminded the shareholders/proxies for the briefing on the Company's business update after the announcement of poll results.

## 8. POLL RESULTS

The Meeting resumed upon the receipt of the poll results duly verified by the Independent Scrutineer. The Chairman read out the verified voting results as follows:-

Resolutions	Voted For			Voted Against			Results
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	
Ordinary Resolution 1	75	136,120,193	99.9999	2	153	0.0001	Accepted
Ordinary Resolution 2	79	143,275,709	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 3	78	143,201,009	99.9479	1	74,700	0.0521	Accepted
Ordinary Resolution 4	78	143,201,009	99.9479	1	74,700	0.0521	Accepted
Ordinary Resolution 5	79	143,275,709	100.0000	0	0	0.0000	Accepted
Ordinary Resolution 6	77	143,242,006	100.0000	1	3	0.0000	Accepted

Based on the above, the Chairman declared all Resolutions **CARRIED**.

**IT WAS RESOLVED:**

**Ordinary Resolution 1**

“THAT the payment of Directors’ fees and benefits payable up to RM303,500.00 for the period from this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved.”

**Ordinary Resolution 2**

“THAT Madam Ong Poh Hong who is retiring by rotation pursuant to Clause 78 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

**Ordinary Resolution 3**

“THAT Datin Lee Choi Chew who is retiring by rotation pursuant to Clause 78 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

**Ordinary Resolution 4**

“THAT Puan Hajjah Norizan Binti Yahya who is retiring by rotation pursuant to Clause 79 of the Company’s Constitution and being eligible, be and is hereby re-elected to the Board.”

**Ordinary Resolution 5**

“THAT the retiring auditors, Messrs. HLB Ler Lum Chew PLT be and is hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors.”

**Ordinary Resolution 6**

“THAT, subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 8 of the Company’s Constitution, approval be and is hereby to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act.”

## **9. TERMINATION**

There being no further matters, the Meeting was concluded at 4:40 p.m. with a vote of thanks to the Chairman.

The Chairman invited those present who are keen to know more about the Company's overview to stay back for the briefing.

## **10. PRESENTATION ON THE COMPANY'S BUSINESS UPDATE**

The Chairman invited the Executive Director/Chief Executive Officer, Mr. Eric Lim and the Chief Executive Officer of OpenSys Technologies Sdn. Bhd., Mr. Luke Sebastian to present to the shareholders/proxies the Company's business update which covered the following core businesses and customer bases:-

1. Self-Service Terminals
  - Cash Recycling Machine
  - Cheque Deposit Machine
  - Business Process Outsourcing
  - Bill Payment Kiosk
  - Cheque Processing Outsourcing
2. Hardware Maintenance
3. Branch Of The Future
  - Smart Teller Cash Recycler (Smart TCR)
  - Smart Teller
  - Smart Service
  - Smart Admin
4. Secure Logistics SmartCIT
5. Renewable Energy - buySolar

Confirmed True Record,

---

**TAN KEE CHUNG**

Chairman

**ANNEXURE I**

**Reply to MSWG's questions raised in the letter dated 10 May 2024:**

Operational & Financial Matters

1. At the Group's 27th AGM, the management/board stated that the Average Selling Price (ASP) of Cash Recycling Machines (CRMs) increased by 30% in the market due to supply chain disruptions, inflationary pressure, and weaker ringgit. Additionally, the Group was in the process of negotiating with the customers to increase the annual maintenance fee structure.

- a) Has there been any change in the annual maintenance fee structure, which is 10% to 12% of CRM's ASP? If yes, what is the current annual maintenance fee (in percentage)?

OpenSys' Response:

- *Due to the increase in both the ASP and maintenance fee structure, the annual maintenance fee as a percentage of selling price has remained unchanged.*

- b) How many units of cash machines has the Group replaced with CRMs in FYE2023? Have they reached the pre-pandemic yearly target of about 500 to 600 units (26th AGM)? If not, what was the reasoning behind it?

OpenSys' Response:

- *The pre-pandemic target has not been reached, indicating banks are still cautious about the economy while resuming CRM procurement activities post pandemic.*

- c) With the increase in the ASPs and annual maintenance fee structure (if there were any changes in the latter), will the sales target of CRM machines per year of 500-600 machines per year remain the same?

OpenSys' Response:

- *The target remains the same.*

2. The Group is implementing Smart Teller Cash Recycler (SmartTCR) solutions for four banks as proof of concept (POC), with more slated for FY2024. Market potential spans 4,000 to 6,000 units, serving over 2,000 bank branches in Malaysia, aiming to boost efficiency, sales, and cost savings akin to CRM success (page 27 of AR 2023).

- a) What feedback or complaints (if any) have been received from the four banks that have adopted SmartTCR?

OpenSys' Response:

- *Feedback indicates that SmartTCR automates cash handling, improving teller efficiency, accuracy, and security while reducing costs. This results in faster, more secure transactions, enhancing the overall customer experience.*

- b) How much is the contribution of the POC projects to the Group's revenue in FYE2023?

OpenSys' Response:

- *Currently, the contribution of the POC projects to the Group's revenue is minimal. Mass deployment will only happen after successful implementation of the POC projects.*

- c) As of 1Q2024, how many more banks have expressed their interest in conducting the same pilot projects?

OpenSys' Response:

- *The Group is currently in talks with most major banks on conducting pilot projects. Keen interests are driven from the introduction and threat of digital banks.*

3. At the Group's 25th AGM, the management/board stated that the existing Cash-In-Transit (CIT) market, largely dominated by financial institutions, presents an opportunity for expansion into the underserved retail sector, with only 5% currently accessing CIT services due to high costs. Discussions with a blue-chip company are underway regarding a secure delivery solution.

- a) What is the current backlog of orders for SmartCIT? Any targeted revenue and earnings from this business segment for FYE2024?

OpenSys' Response:

- *We are currently working to secure other customers desiring SmartCIT services. Disclosure of targets, potential revenue and earnings however are subject to the Corporate Disclosure Policy prescribed under the Main Market Listing Requirements.*

- b) What specific strategies does the Group plan to implement to penetrate the underserved retail market for CIT services, considering the high price barrier previously identified?

- c) At the Group's 27th AGM, the management/board stated that the Group is currently working with two licensed security companies to expand SmartCIT. Are there any developments or improvements in SmartCIT with the current partners? How does Opensys differentiate its offerings in SmartCIT through these partnerships compared to competitors?

OpenSys' Response:

- *Specific strategies are not disclosed as these are proprietary information in a highly competitive industry.*
- *We have been working on a comprehensive smart-cash and secure logistics management solution with AI-based predictive and forecasting analytics.*



- *These on-going developments, delivered with high uptime service levels will be key differentiators in expanding SmartCIT solutions and services to the banking and retail sectors.*
4. BuySolar launched in February 2020, promotes environmental sustainability by facilitating the purchase of solar panels with optimal financing. It unites consumers, service providers, financiers, insurers, and regulators for seamless solar adoption. (page 46 of AR2023).
- a) What were the revenue and earnings contributions in FYE2023, and what are the expectations for FYE2024?
  - b) BuySolar has been experiencing gradual monetisation progress since its launch in February 2020. What is the primary factor behind this slow progress? What specific strategies does buySolar plan to implement to expedite its monetisation progress and increase revenue generation?

OpenSys' Response:

- *As an innovative online marketplace, buySolar has been primarily generating revenue through sales referrals for installed solar systems.*
  - *Moving forward, we are expanding our offerings to include EPCC and Renewable Energy Certificate Services specifically tailored for commercial users. By introducing these new services, we are strategically positioning ourselves to accelerate monetization and boost revenue generation.*
- c) Is buySolar actively seeking potential acquisitions in the solar industry to accelerate its growth, and if so, what specific criteria or attributes is the Group prioritising when evaluating potential acquisition targets?

OpenSys' Response:

- *The Group continues to evaluate acquisitions as part of the broader growth strategy. We look for companies that offer innovative products or technologies with high integration potential to diversify our offerings. These target acquisitions are evaluated for their geographical reach and robust customer bases, which can provide immediate revenue streams and market expansion opportunities.*

Sustainability Matters

1. In 2023, the Group has purchased 618 Renewable Energy Certificate (RECs) representing 618 MWh of electricity generated from renewable sources. This will offset an approximate of 394.90 tonnes of Carbon Dioxide Emissions from purchased electricity used in the various offices of the Group. In 2024, the Group will embark on further initiatives in the Renewable Energy space (page 46 of AR2023).
- a) What was the total expenditure on purchasing the 618 RECs representing 618 MWh of electricity in FYE2023?

OpenSys' Response:

- *The total expenditure for purchasing 618 RECs was RM5,826.00.*

- b) What are the Group's further initiatives regarding the renewable energy space?

OpenSys' Response:

- *The Group continues to expand its offering in the renewable energy space. This includes the sales of Renewable Energy Certificate (RECs), operating as a Registered PV Service Provider (RPVSP) and a Registered Solar PV Investor (RPVI) which will pave the way for directly getting solar installations in the commercial and industrial sectors.*
2. The Group's Sustainability Statement states that the Group defines material sustainability matters as those having a significant economic, environmental and social impact on the Group's business and stakeholders, including: -

**Economic** – Customer Satisfaction, Suppliers, Regulatory Compliance

**Environment** – Renewable Energy, Reduce, Reuse and Recycle

**Social** – Employee Welfare, Equality and Diversity, Training & Development and Community Care.

(Page 45 of AR2023)

Please consider including a materiality matrix showing the material sustainability matters in your future annual report.

OpenSys' Response:

- *We will consider including a materiality matrix on material sustainability matters in our future annual report.*

Corporate Governance Matters

1. Practice 7.1 of the Malaysian Code on Corporate Governance (MCCG) stipulates that the board has remuneration policies and procedures to determine the remuneration of directors and senior management. These policies and procedures consider the company's demands, complexities and performance as well as the skills and experience required.

The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors, and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Opensys departs from this Practice as the Group does not have formal remuneration policies and procedures for Directors and Senior Management. Does the Group have any plans to formalise these policies and procedures, and if yes, by when?

OpenSys' Response:

- *The Group acknowledges the importance of having formal remuneration policies and procedures for directors and senior management. Our plan is to finalize the policy framework and implement it in the near future.*

## **ANNEXURE II**

The questions/inputs forwarded by shareholders/proxies namely, Mr. Yea Sean King, Mr. Neoh Jia Man, Mr. Neoh Jia En, Mr. Kumar A/L Ramasamy, Mr. Tang Kin Wah, Mr. Tai Kien Teck, Mr. Chee Sai Mun and Mr. Poravi A/L S.P. Sithambaram Pillay, duly addressed and attended by the Directors and Senior Management are summarised as follows:-

- Q1) With reference to page 71 of the Annual Report 2023, there was a substantial increase in the purchase of property, plant and equipment (“PPE”) amounting to RM17.3 million as compared to RM2.5 million in the financial year (“FY”) 2022.**
- (a) What are those new assets acquired? How could these assets referred to as productive assets generate more revenue for the Group?**
  - (b) The reason for utilisation of RM16.0 million cash for the PPE rather than other payment modes. What kinds of returns are expected from the investment of RM16.0 million?**
  - (c) Given the implementation of virtual office and work from home since the pandemic, why OpenSys still need more office space?**
  - (d) Please advise why OpenSys converted part of its acquisitions into financing. Has OpenSys factored in the cost of financing?**

- A1)** The investments are for the acquisitions of new office space and hardware equipment to cater for the newly awarded “Outsourcing of Outward Cheque Clearing” services project from a major local bank. The acquisitions of other assets such as upgrading equipment and network infrastructure are for ongoing projects. These are productive assets that will contribute positively to the Group.

The PPE refers to assets owned by a company according to accounting terms. There was an increase in our capital expenditures in FY2023 as compared to FY2022. The total expenditure of approximately RM17.0 million is summarised as follows:

- New office space – About RM5.0 million
- Acquisition of cheque and IT equipment – About RM8.0 million
- Upgrade of payment kiosks in replacing ageing kiosks to maintain performance – About RM4.0 million

This year, we will utilise our financing facilities to fund part of the abovementioned acquisitions related to the “Outsourcing of Outward Cheque Clearing” services project. This is to reserve sufficient cash to cater for both our business operations and potential investment opportunities.

The reason we require more office space is due to the “Outsourcing of Outward Cheque Clearing” services project. The processing of cheques is a highly private and confidential business operations. All cheque image verification must be performed in a secured premise and it cannot be done at our employees’ homes. This project involves hiring of 80 to 90 new employees mainly for data entry work and cheque image verification which requires a big office space.

We have factored the financing cost into the “Outsourcing of Outward Cheque Clearing” services project and there is no issue with the financing.

- Q2) Noted OpenSys had been awarded the “Outsourcing of Outward Cheque Clearing” service project from a major local bank to outsource its nationwide cheque processing operations. With this regard, the Company spent additional capital expenditures in FY2023.**
- (a) How could this contract contribute to or enhance the Company’s existing Business Process Outsourcing (“BPO”) segment? The contract sum is based on the cheque processing volume or at a fixed value?**
  - (b) Given the declining cheque usage, the demand for cheque processing business might be minimised over time. Is the BPO segment still relevant?**
  - (c) What is the difference between cheque processing solution and cheque process outsourcing (“CPO”)?**
  - (d) There are about 10 banks in Malaysia. Is there any chance of obtaining more awards for the CPO from other banks? What are the challenges OpenSys foresees?**

- A2) With the newly awarded CPO contract from a major local bank, our cheque processing volume increases by seven times. Hence, this contract is expected to contribute significant revenue to the BPO segment. We charge a fixed amount to the banking customer regardless of its cheque volume.

Although cheque usage is declining, our cheque processing solutions and services remain relevant as banks’ corporate customers still use cheques as a payment instrument. For instance, the post-dated cheque is widely used by the corporate sector. Based on statistics, 41 million cheques valued at RM880 billion were cleared in 2023 in Malaysia. Therefore, our BPO segment is still very relevant.

The differences between cheque processing solution and CPO are as follows:

- OpenSys cheque processing solution is an image-based solution that helps banks to process cheques in a cost effective and efficient manner. The banks deploy our solutions and use their internal resources to do the processing.
- With OpenSys CPO, we utilize our own imaged-based solution and at the same time provide the cheque processing services to banks using OpenSys resources.

We are working on obtaining more CPO projects from other banks.

- Q3) What is OpenSys doing towards the digital banking?**

- A3) There may be challenges to fulfil last-mile activities for a digital bank. For example, further Know Your Customer (KYC) authentication may be required such as verifying myKad thumbprint when opening an account. In this regard, OpenSys can support the digital bank by using the myKad verification feature on our Cash Recycling Machines (“CRMs”) or our payment kiosks to facilitate this process. Our machines can also be used to dispense the debit card after a successful account opening with a digital bank.

- Q4) With reference to the PPE stated on page 89 of the Annual Report 2023, what is the ESM equipment?**

- A4) Efficient Service Machines (ESMs) are our self-service cheque deposit machines and bill payment kiosks.

**Q5) What are the budgeted capital expenditures (CAPEX) for FY2024?**

A5) The budgeted CAPEX for FY2024 is in the range of RM4.0 million to RM6.0 million.

**Q6) Does OpenSys still comply with the Shariah compliance?**

A6) OpenSys used to be Shariah-compliant. However, we did not meet the Shariah requirements for FY2021 and FY2022 because the cash and deposits held by OpenSys in conventional accounts and instruments were more than 33% of total group assets. We have shifted most of the money market investments to Shariah-compliant money market instruments in FY2023, and we expect to be compliant with Shariah requirements for FY2023.

**Q7) Branch Of The Future (BOTF)**

**(a) Please update the Proof-Of-Concept (POC) progress.**

**(b) How many branches of BOTF as of today?**

**(c) Noted Ambank (M) Berhad is not one of the existing customers of the BOTF solutions. Please advise the reason and whether it was due to the BOTF solutions is not fruitful.**

**(d) Hong Leong Bank Berhad is the only customer of OpenSys for Smart Teller Cash Recycler (SmartTCR). How many units of SmartTCRs were acquired by Hong Leong Bank Berhad in FY2023 and the total units acquired as of today?**

A7) We are in the process of implementing POCs with four banks. The POC usually takes up to a year before the mass deployment of machines by the banks. The four banks that have adopted the BOTF solutions are at various stages of POC. There are approximately 30 branches/sites nationwide that are under POC.

Currently, we are in discussions with most banks on conducting more POCs.

Hong Leong Bank Berhad has installed a total of 6 units of SmartTCRs.

**Q8) CRM Cheque Deposit and Card Dispensing Sidecar (also known as CRM sidecar modules)**

**What is the price difference between CRM and CRM sidecar modules? What is the maintenance fee to be generated from CRM sidecar modules? Are the CRM sidecar modules stand-alone?**

A8) The CRM sidecar modules include supplementary functions such as cheque deposit and card dispensing in addition to the standard CRM functions of cash deposit and dispensing.

The maintenance fees will be charged on the CRM sidecar modules after a 1-year warranty period.

CRM sidecar modules are not stand-alone units. They need to be attached to the CRMs.

**Q9) A shareholder congratulated the achievement of OpenSys in terms of revenue, profit after tax and cash position. The shareholder noted that OpenSys has ventured into alternative revenue streams and raised his concerns as follows:-**

- (a) **Even though OpenSys is dominant in the replacement market for CRM, however, there has not been seen in the Annual Report 2023 that there is strong revenue achievement from this segment in FY2023. Please advise whether OpenSys can achieve more than 80% market share in the replacement market for CRM.**
- (b) **Any plan for OpenSys to leverage its strong core businesses to the regional market in Asia region given the relationship and connection with the banking customers?**
- (c) **Cash usage is more popular in the age group of 40 and above whereas the young generation utilises e-money. Does OpenSys foresee any opportunity in the Asia region?**

A9) The replacement market for CRM is our own captive business from the existing banking customers. We are confident our CRM business will continue to perform well moving forward and we are also confident of maintaining our 80% market share. Moreover, there are 10,000 units of cash machines (ATMs and CDMs) in the market that the Group can potentially replace with CRMs.

We acknowledged the shareholder's viewpoint about the opportunity in the regional market.

**Q10) With reference to page 16 of the Annual Report 2023, a shareholder shared his view that both the revenue and profit before tax were increased consistently but they were less fantastic. Any strategies by OpenSys to push further the revenue and profit before tax? Moreover, the statutory authorities such as the Inland Revenue Board of Malaysia and the Employees Provident Fund are adopting the e-payments for the statutory payments to move away from the cash payments a few years back. What is the Company's viewpoint about these government initiatives and how could OpenSys defend itself with its existing core businesses in the cashless society?**

A10) We noted shareholders' concern about the challenges arising from the government initiatives toward a cashless society. However, there are groups of people who still use cash as their primary payment instrument, for instance, the underserved community in the B40 segment and rural areas. Statistics and prominent surveys have shown that usage of cash is still prevalent in the economy.

We believe that cash and e-payment will continue to co-exist in the foreseeable future. Nevertheless, we have been mindful of the e-money/cashless trend. We are committed to nurturing our new revenue streams with our revenue diversification strategies.

**Q11) Does buySolar achieve its breakeven point? If not, when is the estimated breakeven point? Any target?**

A11) buySolar was first launched in 2020 and thereafter, we went through the pandemic. We currently have 20 registered Photovoltaic ("PV") service providers ("RPVSP") and registered solar PV investors ("RPVI"), 12 financing partners and an insurance provider on board. We are gaining traction on our buySolar in terms of users' growth as well as the number of buySolar market participants.

The revenue from buySolar was primarily the referral fees based on the closed sales. Moving forward, with the additional products and service offerings, we expect to generate significant revenue and profit for the Group.

We have yet to achieve the breakeven point. Nevertheless, we foresee achieving it once we start our contracting services in the near future. Our subsidiary, OpenSys Technologies Sdn Bhd has been registered as a PV service provider with the Sustainable Energy Development Authority (SEDA) in December 2023 and we are engaging several providers to kick start the operation in the second half of year 2024.

**Q12) Has SmartCIT achieved the breakeven point?**

A12) SmartCIT has started to generate revenue for the Group since its launch in the year 2021 with a 15% increase year over year. We are currently discussing with our existing customers in expanding more services to them. The SmartCIT is the combination of on-the-ground services and software solutions that bring positive contribution to the Group.

**Q13) What are the expected CRMs entering maintenance mode after the expiration of the warranty period in FY2024? Noted the estimated 800 units of CRMs entering the replacement cycle over the next few years based on the projected business update, please advise whether this replacement for CRMs would lead to a decline in revenue of the maintenance services segment as the replaced CRMs would have a new warranty period of 3 years.**

A13) There are an average of 300 to 400 units of CRMs entering maintenance mode after the expiration of the warranty period. The pricing model for the CRMs to be replaced remains unchanged.

**Q14) Any plan or resources to develop an e-invoicing system?**

A14) We have no plan to develop an e-invoicing system at this moment.

15) A shareholder commended the good performance of the Group in terms of increased revenue and profit after tax over the years. The shareholder appreciated the Board of Directors, the management and the employees for their continuous dedication and contribution to the continuous growth of the Group with no loss and no capital reduction since OpenSys' listing in 2004 as well as to the Company Secretaries for their support throughout the years. The Board of Directors extended appreciation to the shareholder for his support since the listing of OpenSys.

16) A shareholder expressed his excitement about the potential CRM sidecar modules and the BOTF solutions as well as the BPO segment provided by OpenSys in securing more CPO projects from other banks.